

Message Text

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C O N F I D E N T I A L LIMA 9003

EXDIS

E.O. 11652: XGDS

TAGS: BDIS, OVIP, ECON, PE

SUBJ: GREENE NEGOTIATIONS - DISCUSSION WITH MINISTER OF
FISHERIES TANTALEAN ABOUT FISHMEAL COMPANIES' CLAIMS

1. SUMMARY: EMBOFFS REVIEWED DATA RE MAJOR U.S. FISHMEAL COMPANIES WITH MINISTER OF FISHERIES TANTALEAN DECEMBER 10 ASKING FOR CORROBORATION OF FIGURES WE HAVE FOR THREE MAJOR COMPANIES INCLUDED IN SCOPE OF NEGOTIATIONS. DISCUSSION ALSO COVERED TWO OTHER CATEGORIES OF ISSUES INVOLVING SMALL COMPANIES WHICH MAY HAVE MAJORITY U.S. STOCKHOLDERS, AND QUESTIONS OUTSIDE THE SCOPE OF GREENE DISCUSSIONS CONCERNING BOLICHERAS UNIDAS AND INTERIM PROFITS OF COISHCO FISHFOOD OPERATION. TANTALEAN TOOK CAREFUL NOTES, ALTHOUGH HE DID NOT PROVIDE ANY FIGURES OF HIS OWN. HE REQUESTED THAT EACH U.S. COMPANY SEND COPIES OF REQUESTS FOR REMITTANCES (SOLICITUDES) DIRECTLY TO THE MINISTRY OF FISHERIES SO THAT MINISTRY CAN VERIFY THE FIGURES AND ALSO CHECK THEM WITH THE MINISTRY OF ECONOMICS AND FINANCE. EMBOFFS ALSO RAISED QUESTION OF WHETHER ALL FIGURES ARE NET OF TAXES WHICH TANTALEAN'S VICE MINISTER SAID HE WOULD VERIFY. TANTALEAN RECEIVED EMBOFFS CORDIALLY AND EXPRESSED HOPE THAT FINAL ACCORD WITH GREENE CAN BE REACH PRIOR TO DECEMBER 24. END SUMMARY.

2. DCM/AND EMBOFFS CALLED ON MINISTER OF FISHERIES TANTALEAN DECEMBER 10 TO DISCUSS FINANCIAL DATA AND QUESTIONS CONCERNING NATIONALIZED U.S. FISHMEAL COMPANIES. EMBOFFS PRESENTED ISSUES IN TERMS OF THREE DIFFERENT CATEGORIES:
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COMPANIES WITH CLAIMS WHICH ARE INCLUDED WITHIN GREEN NEGOTIATIONS,

COMPANY CLAIMS WHICH ARE EXCLUDED, AND COMPANIES CONCERN-
ING WHICH U.S. MAJORITY INTEREST HAS NOT DEFINITELY BEEN
DETERMINED.

3. IN REGARD MAJOR THREE U.S. COMPANIES IF FIRST CATEGORY,
EMBOFFS PRESENTED DATA AS FOLLOWS: (A) CARGILL - TWO CLAIMS:
(1) NOTES DUE CARGILL INC. BY CARGILL PERUANA OF \$250,000;
AND (1) NET OF INTERCOMPANY ACCOUNTS OF \$71,192.35 FOR TOTAL
OF \$321,192.35. TANTALEAN SAID HE UNDERSTOOD APPLICATION
(SOLICITUD) FROM CARGILL HAD ALREADY BEEN RECEIVED AND SENT
TO MINISTRY OF ECONOMICS AND FINANCE.
(B) COISHCO - STARKIST -- TWO CLAIMS: 1) SOLES
ON DEPOSIT AT THE BANCO DE LA NACION DUE TO STAR KIST,
INC. OF S/6,186,313.43; AND 2) APPROVED REMITANCES
PENDING FROM COISHCO TO STAR KIST FOODS AND SUBSIDIARIES
OF \$1,177,123.00;
(C) GOLD DIST - ONE CLAIM: LOAN FROM PARENT COMPANY
IN AMOUNT OF S/92,954,000 (APPROX. \$2.4 MILLION) WHICH
EMBOFFS UNDERSTOOD THAT BOTH DR. BARRETO OF CENTRAL BANK
AND BROUSSET VICE MINISTER OF ECONOMICS AND FINANCE, HAVE STATED
IS VALID AND PAYABLE.

4. RE ISSUES OUTSIDE GREENE NEGOTIATIONS, EMBOFFS SAID THAT
THESE ISSUES ARE NOT REPEAT NOT WITHIN FRAMEWORK OF OFFI-
CIAL DISCUSSIONS. THEY THEN EXPLAINED IN SOME DETAIL THE
BOLICHERAS UNIDAS PROBLEM AS WELL AS COISHCO FISHFOOD
OPERATION'S INTERIM PROFIT OF APPROXIMATELY \$2.4 MILLION.
TANTALEAN WAS AWARE OF BOTH ISSUES, ALTHOUGH NOT FULLY
INFORMED PREVIOUSLY ABOUT RELATIONSHIP OF BOLICHERAS UNIDAS
AND CARGILL.

5. RE OTHER SMALL COMPANIES WHICH MIGHT HAVE U.S. MAJORITY
INTEREST, EMBOFFS SAID THAT FOLLOWING THREE COMPANIES
MIGHT MEET THIS CRITERION: A) PESQUERIA EL SOL IN WHICH
TWO U.S. CITIZEN BROTHERS APPARENTLY OWN MORE THAN 50 O/O.
(EMBASSY HAS LEARNED FROM ONE BROTHER THAT HIS COMPANY
IS MAJORITY U.S. HELD, BUT WAS DECLARED A "NATIONAL
COMPANY" IN 1971. COMPANY, THEREFORE, WOULD PRESUMABLY
NOT BE ENTITLED TO ANY CLAIM IN DOLLARS, SINCE NATIONAL
COMPANIES ARE ENTITLED TO OPERATE LOCALLY ONLY IN SOLES.
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THIS FACT WAS NOT DISCUSSED WITH MINISTER); B)
PESQUERA INDUSTRIAL CONSTANCIA; AND C) INDUSTRIAL CHALA.
NONE OF THESE COMPANIES WAS ON MINISTER'S LIST OF FORMER
U.S. MAJORITY-HELD COMPANIES. MINISTER'S AIDES SAID THEY
WOULD ALSO VERIFY THE STATUS OF THESE COMPANIES AS WELL.
(EMBASSY NOW CHECKING OTHER PRIVATE SOURCES RE LEGAL STATUS
OF THESE COMPANIES AND WILL PROVIDE DEPARTMENT WITH INFO ASAP.)

6. MINISTER TANTALEAN EMPHASIZED THAT HE AND HIS COLLEAGUES ARE PREPARED ASSIST EMBASSY IN OBTAINING CLARIFICATION ALL FIGURES INVOLVED. VICE MINISTER MAZURE SAID THAT ISSUE OF WHETHER ALL FIGURES ARE NET OF TAXES WOULD ALSO BE VERIFIED. TANTALEAN SUGGESTED THAT EMBASSY REQUEST EACH COMPANY TO SEND DIRECTLY TO HIS MINISTRY COPIES OF THEIR APPLICATIONS FOR REMITTANCES SO THAT MINISTRY OF FISHERIES CAN VERIFY THEM AGAINST THEIR OWN FIGURES AND ALSO CHECK THEM WITH MINISTRY OF ECONOMICS AND FINANCE.

7. IN CONCLUSION, TANTALEAN SAID HE PLEASED THAT GREENE NEGOTIATIONS GOING WELL, AND HE HOPED THAT A FINAL SETTLEMENT COULD BE REACHED BEFORE DECEMBER 24, ONE WHICH WOULD STRENGTHEN RELATIONS BETWEEN THE TWO COUNTRIES. COMMENT: MINISTRY OF FISHERIES DID NOT HAVE SPECIFIC FIGURES TO PROVIDE TO EMBASSY, BUT DOES SEEM DISPOSED TO ATTEMPT TO CLARIFY THE VARIOUS ISSUES ASAP. TANTALEAN RECEIVED EMBOFFS CORDIALLY, AND HAD SPECIAL WORDS OF PRAISE FOR MR. GREENE.

8. DCM AND EMBOFFS ALSO HAD TWO HOUR MEETING WITH MINISTER MORALES BERMUDEZ AND WILL BE MEETING WITH MINISTRY TEAM ON TUESDAY MORNING, DECEMBER 11, FOR DETAILED REVIEW OF FINANCIAL DATA RELATING TO CERRO, GRACE AND FISHMEAL COMPANY REMITTANCES AND RELATED MATTERS. MORALES BERMUDEZ INSTRUCTED HIS STAFF TO GIVE TOP PRIORITY TO WORK WITH EMBASSY ON CLARIFYING DATA ON REMITTANCES, ETC., LOOKING TOWARD A SETTLEMENT IN MATTER OF DAYS.
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